

Lanesboro Public Utilities  
Council Chambers  
December 15<sup>th</sup>, 2014, 1:00 p.m.

Commissioners Present: Gerald Evenson, Chair  
Theresa Coleman, Dennis Schuck

Absent: Jim Peterson and Jerod Wagner

Staff Present: None

Visitors: Phil Dybing

*Commissioner Evenson called the meeting to order at 12:58 p.m. Commissioner Coleman moved to adopt the agenda. Motion was seconded by Commissioner Schuck. Motion carried.*

*Commissioner Evenson moved to approve the minutes of the November 17<sup>th</sup>, 2014 meetings. Motion was seconded by Commissioner Coleman. Motion carried.*

### **Persons with Interest before the Commission**

#### **A. Phil Dybing-Lanesboro Golf Club-REU Relief**

*Phil Dybing was on hand to address the Commissioners regarding the REU number assigned to the Lanesboro Golf Club. Mr. Dybing indicated that the REU amount of 39 (calculated based on the 1.3 million gallons used in FY2013) was not acceptable and would not allow the golf course to remain viable going into the upcoming FY2015. Mr. Dybing asked the Commission to consider suspending the amount charged to the Lanesboro Golf Club under the REU structure so that they could look at other options (drilling their own irrigation well). Mr. Dybing also asked the Commission to make a decision on his original request of utilizing the clubhouse REU rate for the time being instead of the 39 REUs assigned to the golf course. Administrator Todd advised the Commissioners that the current REU rate structure did not include an REU calculation for the clubhouse as a separate entity and that the account as it is established at City Hall for the golf course included the clubhouse; essentially, the 39 REUs assigned to the golf course include the clubhouse. The Commission elected not to take action on Mr. Dybing's original request to utilize the clubhouse REUs for the golf course given the current information. The Commission stated that they would take action for relief of the golf course to defer any penalties for non-payment under the pretext that the golf course would catch up on their past due balance by June 1<sup>st</sup>, of 2015. Commissioner Coleman stated that the relief allowed to the golf course should also be allowed*

*to other customers of the Lanesboro Water Utility to make it equitable for all involved. Commissioner Coleman made a motion to defer all penalties for non-payment and late fees for all customers of the Lanesboro Water Utility until June 1<sup>st</sup>, 2015. Motion was seconded by Commissioner Schuck. Motion carried all in favor. Mr. Dybing thanked the Commission for its relief for the golf course and for taking the time to consider all options.*

## **Regular Business**

### **A. Payables**

*Commissioner Coleman moved to pay expenses of the Lanesboro Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.*

### **B. 2015 PUC Budget**

*The PUC was provided the latest version of the 2015 Utilities Budget document. Administrator Todd asked the PUC to approve the budget as presented if they had no objections after thorough review. Commissioner Coleman stated that she would like to see the Electric Utility line item (640-60400-430) increased by \$10,000 to accommodate the matching contribution for the Lanesboro Arts Center request approved at the November meeting. Commissioner Coleman made a motion to approve the 2015 Lanesboro Public Utilities budget with the increase in line item 640-60400-430 Electric Utility Miscellaneous Expenditure. Motion was seconded by Commissioner Schuck. Motion carried all in favor.*

### **C. Sewer Utility-Electric Loan for PFA Bond**

*The Public Utilities Commission asked Administrator Todd to provide hard numbers for the feasibility of using an inter-fund loan from the Electric Utility to the Sewer Utility to pay off the 2009 PFA Revenue Bond. This request was made to Administrator Todd so the Commission could look at all options to make the Sewer Utility viable for 2015. The Commission was looking at this option to stave off a rate increase to the Sewer Utility in light of recent increases to the Water Utility. The 2009 Bond repayment schedule was set for final payment in August of 2017. The repayment balance through the end of the schedule was \$95,759.20 including interest. The option provided to the Commission was to utilize \$42,351.40 from the Sewer Money Market account and \$53,407.80 from the Electric Money Market account as a loan to the Sewer Utility for the \$95,759.20 to prepay the bond note. The Public Utilities Commission suggested that the Electric Utility pay the remaining scheduled payments on the bond through 2017 rather than an inter-fund loan option. Motion was made by Commissioner Coleman to approve the electric Utility making the payments on the 2009 Utility Bond note through 2017 and leaving the sewer improvement fee of \$4.00 in place due to future infrastructure replacement costs. Motion was seconded by Commissioner Evenson. Motion carried all in favor.*

D. Sample Ordinance Mandating Connection to City Water System

*Administrator Todd provided the PUC with a sample ordinance mandating the connection to the City's water system for all users within the city limits. After thorough reading of the ordinance and no objections, a motion was made by Commissioner Coleman to recommend to the City Council the ordinance mandating connection to City Water System and for it to become codified using the 2014 Minnesota Basic Code once adopted by the City. Motion was seconded by Commissioner Schuck. Motion carried all in favor.*

E. Harriet Sullivan-103 Norway Avenue-Water Leak (Bill Adjustment Request)

*The son of Harriet Sullivan, owner of 103 Norway Avenue, had requested a bill adjustment due to a water leak located on his mother's property. He indicated that the leak had since been repaired but was requesting a bill credit in the amount of \$400.00. The Commission sympathized with the situation but declined to approve a bill adjustment or take any further action on this issue.*

F. Chamber Request for Funds (\$400) Dairy Land Power Tourism Grant

*Administrator Todd advised that there was a request for funds from the Chamber of Commerce for \$400.00 as a match for a grant from Dairy Land Power. Todd advised that the Chamber requests each year for funds to continue with the Dairy Land Power Tourism Grant. Motion was made by Commissioner Coleman to approve the funding request. Motion was seconded by Commissioner Schuck. Motion carried all in favor.*

G. Circle Drive Water Utility Hook-Ups-(Discussion from Last PUC Meeting)

*The Commission took no action on this issue until more information was obtained and a discussion with the City Attorney and City Engineer could be undertaken.*

H. Miscellaneous

*No miscellaneous items were placed in this agenda for discussion.*

**Next Meeting: Monday, January 19<sup>th</sup>, 2015 at 1:00 p.m.**

**Adjourn Regular Meeting:**

*Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC. Motion was seconded by Commissioner Schuck. Motion carried all in favor.*

Respectfully Submitted:

David Todd  
City Administrator